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April 9, 1996

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TWYLA S. TRUJILLO
RICHARD A. WHITAKER
STEVEN D. PHILLIPS
SUSAN C. SEARS
MICHELLE M. CICCARELLI

Vernon A. Williams, Secretary
Surface Transportation Board
Washington, D.C. 20423-0001

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a Second Amendment and Modification Agreement Amending a Mortgage and Security Agreement, a secondary document, dated March 19, 1996.

The primary document to which this is connected is recorded under Recordation No. 19565.

The names and addresses of the parties to the documents are as follows:

Mortgagor/Debtor: R. J. Corman Railroad Company/Memphis Line, Jessamine Station Pike, P. O. Box 788, Nicholasville, Ky 40356.

Guarantors: Richard J. Corman, Robyn Corman, Richard J. Corman d/b/a R. J. Corman Railroad Construction, R. J. Corman Railroad Corporation, R. J. Corman Restaurant Corporation, R. J. Corman Railroad Company/Material Sales, R. J. Corman Railroad Company/Western Ohio Line, R. J. Corman Railroad Company/Cleveland Line, Jessamine Station Pike, P. O. Box 788, Nicholasville, KY 40356.

Mortgagee/Secured Party: National City Bank, Kentucky, formerly known as First National Bank and Trust Company of Nicholasville, 307 North Main Street, P. O. Box 217, Nicholasville, KY 40356.

Included in the property covered by the aforesaid Second Amendment and Modification Agreement are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein owned by R. J. Corman Railroad Company/Memphis Line at the date of said Second Amendment and

Vernon A. Williams, Secretary
April 9, 1996
Page 2

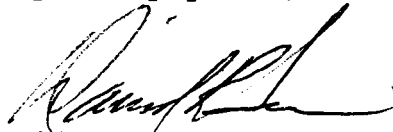
Modification Agreement or thereafter acquired by it or its successors as owners of the lines of railway covered by the Agreement and the Mortgage which it amends.

A fee of \$21.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to David R. Irvin, Esq., Moynahan, Irvin & Smith, Newberry, Hargrove & Rambicure, P.S.C., 110 North Main Street, Nicholasville, KY 40356.

A short summary of the document to appear in the index follows:

A Second Amendment and Modification Agreement to a Mortgage and Security Agreement with Recordation No. 19565, dated March 19, 1996, and covering railroad cars, locomotives and other rolling stock then owned or thereafter acquired by R. J. Corman Railroad Company/Memphis Line.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'David R. Irvin', with a stylized flourish at the end.

David R. Irvin
Attorney for National City Bank,
Kentucky, formerly known as First
National Bank and Trust Company

STBSec.Lt3:DRI

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

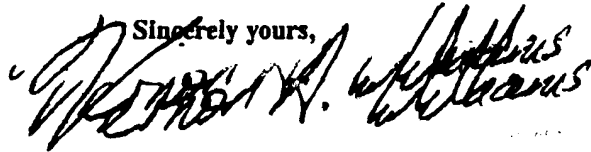
4/9/96

David R. Irvin
Moynahan, Irvin & Smith
Newberry, Hargrove & Rambicure, P.S.C.
110 North Main Street
Nicholasville, Kentucky 40356

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/9/96 at 10:45AM, and assigned recordation number(s). 19565-B.

Sincerely yours,

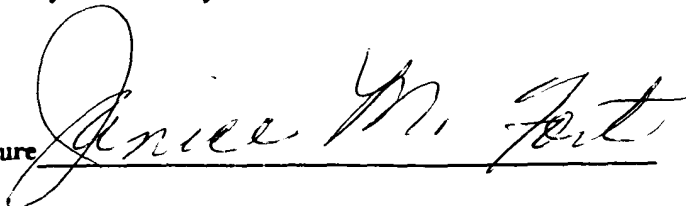


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

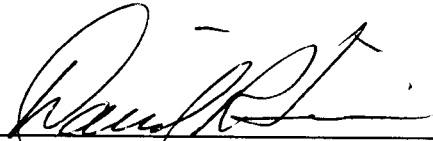


CERTIFICATION OF FILER

The undersigned, being the filer of a SECOND AMENDMENT AND MODIFICATION AGREEMENT AMENDING MORTGAGE AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS dated March 19, 1996, and a copy of the same submitted for recordation therewith, states that he has compared the copy with the original and found the copy to be complete and identical in all respects to the original document.

The undersigned states that he declares under penalty of perjury that the foregoing is true correct.

This 8th day of April, 1996.

A handwritten signature in dark ink, appearing to read 'David R. Irvin', is written over a horizontal line.

DAVID R. IRVIN, ATTORNEY FOR NATIONAL
CITY BANK, FORMERLY KNOWN AS FIRST
NATIONAL BANK AND TRUST COMPANY

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COMMERCE COMMISSION

**SECOND AMENDMENT AND MODIFICATION AGREEMENT AMENDING
MORTGAGE AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS**

This SECOND AMENDMENT AND MODIFICATION AGREEMENT, made and entered into as of the 19th day of March, 1996, by and among R. J. CORMAN RAILROAD COMPANY/MEMPHIS LINE, a Kentucky corporation, having its principal offices in Nicholasville, Kentucky, (the "Borrower" or the "Debtor"); RICHARD J. CORMAN; ROBYN CORMAN, his wife; RICHARD J. CORMAN, d/b/a R. J. CORMAN RAILROAD CONSTRUCTION, a sole proprietorship; R. J. CORMAN RAILROAD CORPORATION, a Kentucky corporation; R. J. CORMAN RESTAURANT CORPORATION, a Kentucky corporation; R. J. CORMAN RAILROAD COMPANY/MATERIAL SALES, a Kentucky corporation; R. J. CORMAN RAILROAD COMPANY/WESTERN OHIO LINE, an Ohio corporation; R. J. CORMAN RAILROAD COMPANY/CLEVELAND LINE, an Ohio corporation, (the "Guarantors"); and NATIONAL CITY BANK, KENTUCKY (formerly known as FIRST NATIONAL BANK AND TRUST COMPANY, a National Banking Association), having its principal offices in Nicholasville, Kentucky, (the "Lender" or the "Secured Party").

W I T N E S S E T H:

WHEREAS, on August 15, 1995, the parties hereto entered into a certain Loan Agreement by which the Lender agreed to loan the Borrower a principal amount of up to but not exceeding \$5,500,000.00 to purchase and rebuild railcars and to refinance existing indebtedness incurred in the previous acquisition by the Borrower of boxcars and railroad ballast cars; and

WHEREAS, the Guarantors are parties to the aforesaid Loan Agreement; and

WHEREAS, simultaneously with the execution of the aforesaid Loan Agreement, and as a part of the transactions contemplated thereby, the Borrower executed a Promissory Note payable to the Lender, in the amount of \$5,500,000.00, of even date therewith, appended to which is a Guaranty executed by each of the Guarantors, as of said date; and

WHEREAS, the parties to said Loan Agreement, and as a part of the transactions contemplated thereby, executed and entered into a certain Mortgage and Security Agreement, of even date therewith; and

WHEREAS, on January 23, 1996, the parties to said Loan Agreement, Promissory Note, Guaranty and Mortgage and Security Agreement entered into a certain Amendment and Modification Agreement Amending Mortgage and Security Agreement and other Loan Documents, modifying and amending the aforesaid documents so as to provide that the proceeds of the loan described therein may be used

for the acquisition and the acquisition and rebuilding of railroad locomotives to be used by the Borrower in its business as a commercial railroad line and that such locomotives shall be subject to the security interest of the Lender therein; and to further provide that the rate of interest set out in the aforesaid Loan Agreement and Promissory Note may be modified and adjusted, from time to time, as may be agreed in writing by the Lender and the Borrower; and

WHEREAS, parties to said Loan Agreement, Promissory Note, Guaranty and Mortgage and Security Agreement now desire to further amend said documents so as to provide for, and to be applicable to and govern, a Promissory Note of even date herewith executed by Borrower and payable to Lender in the principal sum of up to but not exceeding Three Million Five Hundred Dollars (\$3,500,000.00), appended to which is a Guaranty, also of even date herewith, executed by each of the Guarantors;

NOW THEREFORE, in consideration of the premises and the undertakings of the parties hereto, the parties hereby agree as follows:

1. The aforesaid Loan Agreement and Mortgage and Security Agreement and the aforesaid Amendment and Modification Agreement Amending Mortgage and Security Agreement and other Loan Documents and the aforesaid Loan Agreement and Mortgage and Security Agreement as modified and amended by said Amendment and Modification Agreement, and each of said documents, are hereby and shall be deemed to be modified, amended and expanded, as necessary, so that the provisions thereof shall apply to and govern the aforesaid Promissory Note and Guaranty of even date herewith (hereinafter the "Second Loan"), except as otherwise provided herein.

2. Interest on the outstanding principal balance of the Second Loan shall be at the rate of 8.50% per annum for the term of said loan.

3. The entire sum of unpaid principal owed on the Second Loan, plus accrued and unpaid interest thereon, shall be due and payable in full on or before the 19th day of March, 2000 (the "Second Loan Maturity Date"), which date shall also be deemed to be the maturity date of each of the aforesaid loan documents as they apply to and govern the Second Loan.

4. As to the Second Loan, accrued interest on all unrepaid advances of principal shall be due and payable on the 19th day of April, 1996, and on the 19th day of each month thereafter through September 19, 1996. Beginning on the 19th day of October, 1996, and continuing on the 19th day of each and every month thereafter until the maturity date, Borrower shall pay to Lender the amount equal to that sum necessary to fully amortize and pay the then

remaining principal balance of the loan amount plus all interest accrued and accruing thereon, in equal monthly payments during the remaining term of said Loan, and Borrower shall thereafter make a payment of the principal portion and interest then due on the same day of each month until the Maturity Date, at which time the entire unpaid principal owed on said Loan plus all accrued interest thereon shall be due and payable in full.

5. All draws against the amount of the Second Loan shall be for the purposes of purchasing railroad rolling stock, including locomotives or rail freight cars, and rebuilding and refurbishing said rolling stock if and as necessary for use in interconnecting rail service. Upon request by Lender, Borrower shall, as a condition of any such draw, furnish Lender with true and correct copies of all documents of title and transfer for rolling stock purchased and to be purchased with the proceeds of such draw and with a true and correct accounting of all costs of rebuilding and refurbishing said rolling stock, including copies of invoices for all materials and services from third party sources used in connection with the same.

6. Except as previously modified and amended and as further modified and amended hereby, each of the aforesaid Loan Documents shall remain in full force and effect as written.

IN WITNESS WHEREOF, the parties have executed this Second Amendment and Modification Agreement by their respective offices, hereunto duly authorized, as of the day and year first above written.

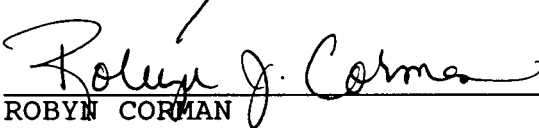
DEBTOR:

R. J. CORMAN RAILROAD COMPANY/
MEMPHIS LINE, a Kentucky corporation

BY: 
Richard J. Corman, President

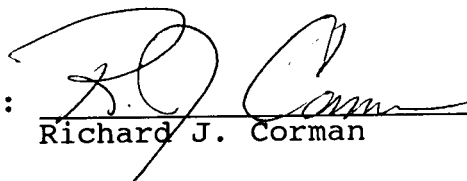
GUARANTORS:


RICHARD J. CORMAN


ROBYN CORMAN

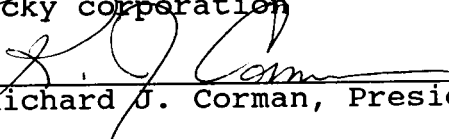
R.J. CORMAN d/b/a R.J. CORMAN
RAILROAD CONSTRUCTION

BY:


Richard J. Corman

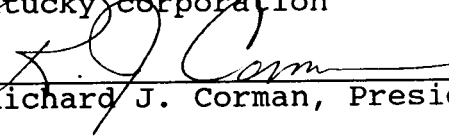
R.J. CORMAN RAILROAD CORPORATION, a
Kentucky corporation

BY:


Richard J. Corman, President

R.J. CORMAN RESTAURANT CORPORATION,
a Kentucky corporation

BY:


Richard J. Corman, President


R.J. CORMAN RAILROAD COMPANY/
MATERIAL SALES, a Kentucky
corporation

BY:


Richard J. Corman, President

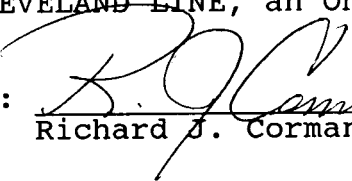
R.J. CORMAN RAILROAD COMPANY/
WESTERN OHIO LINE, an Ohio
corporation

BY:


Richard J. Corman, President

R.J. CORMAN RAILROAD COMPANY/
CLEVELAND LINE, an Ohio corporation


BY:


Richard J. Corman, President

SECURED PARTY:

NATIONAL CITY BANK, KENTUCKY
(formerly known as FIRST NATIONAL
BANK AND TRUST COMPANY, a National
Banking Association)

BY:


DAVID A. WASH, JR.,
VICE PRESIDENT

**STATUTORY SHORT FORM OF ACKNOWLEDGMENTS
PURSUANT TO KENTUCKY REVISED STATUTES 423.160**

COMMONWEALTH OF KENTUCKY

COUNTY OF JESSAMINE

The foregoing instrument was acknowledged before me this 19th day of March, 1996, by Richard J. Corman, President of R.J. Corman Railroad Company/Memphis Line, a Kentucky corporation, on behalf of the corporation; by Richard J. Corman, individually; by Robyn Corman, individually; by Richard J. Corman, doing business as R.J. Corman Railroad Construction; Richard J. Corman, President of R.J. Corman Railroad Corporation, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Restaurant Corporation, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Material Sales, a Kentucky corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Western Ohio Line, an Ohio corporation, on behalf of the corporation; Richard J. Corman, President of R.J. Corman Railroad Company/Cleveland Line, an Ohio corporation, on behalf of the corporation; and by David A. Wash, Jr., Vice-President of National City Bank, Kentucky (formerly known as First National Bank and Trust Company, a national banking association), on behalf of said bank.

My Commission expires: 8-12-97



NOTARY PUBLIC

Modified.Ag2:RJC3:DRI